United Nations ST/SGB/2015/4/Amend.1

Secretariat

4 December 2018

Secretary-General's bulletin

Supplement to the Financial Regulations and Rules of the United Nations

1. The Secretary-General hereby promulgates the amendments to the supplement to the Financial Regulations and Rules of the United Nations below.

2. The amended supplement to the Financial Regulations and Rules should be understood to facilitate the implementation of the new delegation of authority framework that will enter into effect on 1 January 2019, as set out in Secretary-General's bulletin ST/SGB/2019/2.

3. The texts of the corresponding financial rules in the annexes to Secretary-General's bulletin ST/SGB/2015/4 are replaced by the provisions below. Unless expressly provided herein, all other financial rules in Secretary-General's bulletin ST/SGB/2015/4 remain in effect.

4. Until further notice, Secretary-General's bulletins ST/SGB/2013/4, as amended by ST/SGB/2013/4/Amend.1, and ST/SGB/2015/4, as amended by the present bulletin, constitute the Financial Regulations and Rules of the United Nations and the supplement thereto.

Annex I
Financial Rules of the Environment Fund and Associated Trust Funds of the United Nations Environment Programme

Article VII
Financial records and statements

Rule 207.1

The Secretary-General shall maintain such accounts and records as are necessary for the Executive Director to report to UNEA and the General Assembly.

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Rule 207.3

The Secretary-General shall prepare and certify the financial statements for UNEP, including the Fund and its associated trust funds, in accordance with the Financial Regulations and Rules of the United Nations. These financial statements shall be submitted to the United Nations Board of Auditors as specified in rule 106.1 (a) of the Financial Regulations and Rules of the United Nations.

Annex II
Financial Regulations of the United Nations for the United Nations Habitat and Human Settlements Foundation, and Financial Rules of the United Nations Habitat and Human Settlements Foundation and of Other Extrabudgetary Resources of the United Nations Human Settlements Programme (UN-Habitat)

Article III
Contributions and other income

Rule 303.9

The Secretary-General hereby delegates, subject to the provisions set out below, authority to the Executive Director to incur, pursuant to UNHHSF regulation 1.2, borrowing from Governments and governmental agencies and intergovernmental organizations for the reimbursable seeding operations of the Foundation.

(a) The limits of the funds to be borrowed by the Foundation shall be set by the Secretary-General, from time to time, upon recommendation by the Executive Director and with due regard to:

(i) The prospective resources requirements of the Foundation to attain its objectives and the amount of voluntary contributions received by the Foundation;

(ii) The degree of efficiency and effectiveness of the Foundation in managing Loan Fund operations from voluntary resources, as indicated in periodic evaluation and auditing reports;

(b) Funds obtained from borrowing shall be used by the Foundation only for reimbursable seeding operations and related administrative costs;

(c) Funds obtained from borrowing shall be credited to the Loan Fund of the Foundation established by the Executive Director under rule 304.2 (d) below and shall be kept in a separate account from UN-Habitat and United Nations accounts;

(d) In incurring external borrowing for the Foundation, the Executive Director shall be responsible for ensuring that the Foundation maintains adequate resources in the Foundation Loan Fund Reserve established under rule 304.2 (e) to secure, at all times, the liability arising from incurring such borrowing;

(e) Any other additional provisions and measures the Secretary-General may add, from time to time, to ensure the solvency of the Loan Fund of the Foundation and to enhance its capacity and ability to attain its objectives;

(f) In incurring external borrowing, the Foundation shall comply with competitive procedures set by the Secretary-General for this purpose.

Article IV
Custody of funds

Rule 304.6

The Secretary-General shall act as custodian of the Foundation funds and other extrabudgetary resources and shall designate the bank accounts and the signatories of those bank accounts. The Secretary-General may delegate to the Executive Director such authority with respect to custody of the Foundation Loan Fund and its Reserve as would facilitate the efficient and effective management of the Foundation funds, and such delegated authority may be accepted by the Executive Director in writing.

Rule 305.5

(a) The Executive Director shall, under policy guidance of the Governing Council, establish Operational Procedures and Guidelines in order to guide the operations of the Foundation, in particular reimbursable seeding operations, and determine from time to time:

(i) The terms and conditions on which the Foundation may borrow with due regard to rule 303.9;

(ii) Limits on the total value of each of the Foundation's (a) loans; (b) loan guarantees; (c) equity investments;

(iii) Limits on the size of financial contribution to each project of the Foundation as grants, loans and loan guarantees and equity investments;

(iv) The allocation of Loan Fund resources among types of financial products, i.e. what percentage shall be assigned for seed capital, loan guarantees, and equity investment;

(v) The standards to be met by applicants for the Foundation reimbursable seeding operations;

(vi) The terms and conditions on which grants, loans, loan guarantees and equity investments may be made by the Foundation, including interest rate and other charges. Reimbursable seeding operations shall be governed by the loan agreement instrument referred to in rule 301.3 (k);

(vii) Policies for the sale of securities provided by the borrowers to the Foundation to private investors in order to revolve the Foundation's funds with due regard to rule 303.9;

(b) The Executive Director shall report to the Secretary-General on actions taken in the establishment and implementation of the policy, systems and procedures mentioned above.

Article VI
Accounting

Rule 306.1

Separate accounts to be maintained by the Foundation shall include:

(a) A General Fund account and its Reserve;

(b) A Loan Fund account and its Reserve;

(c) Trust funds accounts;

(d) A programme support costs account;

(e) Such other accounts as may be required by the Secretary-General.

Rule 306.2

The Secretary-General shall maintain the accounts of the Foundation and other extrabudgetary resources as are necessary to report to the Governing Council.

Rule 306.10

The Secretary-General shall prepare and certify the annual financial statements of UN-Habitat, including the Foundation and other extrabudgetary resources, in accordance with the Financial Regulations and Rules of the United Nations. These financial statements shall be submitted to the Board of Auditors as specified in rule 106.1 (a) of the Financial Regulations and Rules of the United Nations.

Annex III
Financial Rules of the Fund of the United Nations International Drug Control Programme and of the Fund of the United Nations Crime Prevention and Criminal Justice Programme

Article VI
Accounting

Rule 406.1

The Secretary-General is responsible for maintaining the UNODC Funds accounts and for reporting on these to the Board of Auditors, the Commission on Narcotic Drugs, the Commission on Crime Prevention and Criminal Justice and the General Assembly.

Rule 406.3

The Secretary-General shall prepare and certify the annual financial statements of UNODC, including the UNODC Funds accounts, in accordance with the Financial Regulations and Rules of the United Nations. These financial statements shall be submitted to the Board of Auditors as specified in rule 106.1 (a) of the Financial Regulations and Rules of the United Nations.

5. The present amendment shall enter into force on 1 January 2019.

(*Signed*) António **Guterres**
Secretary-General